

## LOC Questions and Clarifications Memorandum

**To:** Solicited Vendors for Letter of Configuration (LOC) Number 45718, dated February 7, 2020 for the Department of Information Technology Services (ITS)

**From:** Craig P. Orgeron, Ph.D.

**Date:** February 28, 2020

**Subject:** Responses to Questions Submitted and Clarifications to Specifications

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LOC Number 45718 is hereby amended as follows:

1. Section 4, PROCUREMENT PROJECT SCHEDULE is amended as follows:

Task	Date
Addendum with Vendors' Questions and Answers	Friday, <del>February 21</del> <u>February 28</u> , 2020
Proposals Due	Friday, <del>February 28</del> <u>March 6</u> , 2020 at 3:00 p.m. Central Time
Begin Proposal Evaluations	Friday, <del>February 28</del> <u>March 6</u> , 2020
Notification of Award	Tuesday, March <del>10</del> <u>17</u> , 2020
Begin Support	May 1, 2020

2. Section 5, STATEMENTS OF UNDERSTANDING, is amended as follows:

**5.2** ~~Vendor must be aware that ITS reserves the right to make additional purchases at the proposed prices for a six (6) month period.~~

3. Section 6, FUNCTIONAL/TECHNICAL SPECIFICATIONS is amended as follows:

**6.1.2** Vendor must provide pricing for 24x7 IBM EOSS for the equipment listed in Attachment A, Cost Information Form.

4. Section 7, MANUFACTURER DIRECT MAINTENANCE, is amended as follows:

**7.1.2.2** Please provide a detailed explanation of the relationship of who will be providing the requested maintenance, to whom the purchase order is made, and to whom the remittance will be

~~made. If there is a difference in the year one maintenance purchase versus subsequent years of maintenance, the responding Vendor must clarify and explain.~~

**5. Section 7, MANUFACTURER DIRECT MAINTENANCE is amended as follows:**

**~~7.1.3 Manufacturer Direct Maintenance when sold directly through the manufacturer: Fixed Cost~~**

~~7.1.3.1 If responding Vendor is the direct manufacturer, he must propose annual fixed pricing for three years of the requested maintenance. Vendor must provide all detail of the maintenance/support and all associated costs.~~

~~7.1.3.2 It is ITS' preference that the Manufacturer's proposal is a not-to-exceed firm commitment. In the event that the manufacturer cannot commit to a fixed cost for the subsequent years of maintenance after year one, Manufacturer must specify the annual maintenance increase ceiling offered by his company on the proposed products. Vendor must state his policy regarding increasing maintenance charges. Price escalations for Maintenance shall not exceed 5% increase per year.~~

**6. Section 7, MANUFACTURER DIRECT MAINTENANCE is amended as follows:**

**~~7.1.4 Manufacturer Direct Maintenance when sold through 3rd Party: Fixed Cost Plus Percentages~~**

~~7.1.4.1 In the case of a third-party "pass-through" ITS realizes that the responding reseller may not be able to guarantee a fixed price for maintenance after year one since his proposal is dependent on the manufacturer's pricing or possibly on a distributor's pricing.~~

~~7.1.4.2 It is ITS' preference that the responding reseller work with the manufacturer to obtain a commitment for a firm fixed price over the requested maintenance period.~~

**7. Section 7, MANUFACTURER DIRECT MAINTENANCE, is amended as follows:**

~~7.1.5 In the event that the responding reseller cannot make a firm fixed maintenance proposal for all the years requested, the responding reseller is required to provide a fixed percentage for his mark-up on the manufacturer direct maintenance that he is selling as a third party reseller in lieu of a price ceiling based on a percentage yearly increase.~~

**7.1.5.1** ~~In this scenario, Resellers must include in the Pricing Spreadsheets the price the Vendor pays for the maintenance and the percentage by which the final price to the State of Mississippi exceeds the Vendor's cost for the maintenance (i.e. cost-plus percentage).~~

**7.1.5.2** ~~Alternatively, Resellers may propose a fixed percentage for their mark down on the manufacturer's direct maintenance based on a national benchmark from the manufacturer, such as GSA, Suggested Retail Price (SRP) or the manufacturer's web pricing. This national benchmark pricing must be verifiable by ITS during the maintenance contract.~~

**8. Section 7, MANUFACTURER DIRECT MAINTENANCE, is amended as follows:**

**7.1.6** ~~The cost-plus/minus percentage will be fixed for the term specified in the LOC. To clarify, the State's cost for the products will change over the life of the award if the price the Vendor must pay for a given product increases or decreases. However, the percentage over Vendor cost which determines the State's final price WILL NOT change over the life of the award.~~

**9. Section 7, MANUFACTURER DIRECT MAINTENANCE, is amended as follows:**

**7.1.7** ~~ITS will use this percentage in evaluating cost for scoring purposes.~~

**10. Section 7, MANUFACTURER DIRECT MAINTENANCE, is amended as follows:**

**7.1.8** ~~The cost-plus/minus percentage applies to new products added in the categories covered by the Cost Matrix as well as the products that are listed.~~

**11. Section 7, MANUFACTURER DIRECT MAINTENANCE, is amended as follows:**

**7.1.10** ~~Vendor must also indicate how future pricing information will be provided to the State during the term of the contract.~~

Vendor must include in their proposal a response to each amended requirement as listed above. Vendor must respond using the same terminology as provided in the original requirements.

The following questions were submitted to ITS and are being presented as they were submitted, except to remove any reference to a specific vendor. This information should assist you in formulating your response.

**Question 1:** 24x7 or 9x5

**Response:** Refer to Clarification Number 3.

**Question 2:** 5.2 – Machines must be like for like to maintain same pricing – is that understood?

**Response:** Yes.

**Question 3:** 5.12 – does the Standard Purchase Agreement apply? There is not a copy attached so if needed can we get a copy?

**Response:** ITS elected to not execute a Purchase Agreement for this procurement.

**Question 4:** 6.1.1 – Two machines IBM will not cover and if quoted must be third party – is this acceptable? 3952-F05-10347 and 3952-F05-13614

**Response:** No. ITS has confirmed with IBM that vendors responding to this LOC will receive pricing for IBM to perform the support that includes the 3952-F05-10347 and 3952-F05-13614.

**Question 5:** 7.1.4.1 Does this apply since we are quoting for less than one year?

**Response:** No. Refer to Clarification Number 6.

**Question 6:** 7.1.11 What is meant by Distributor? We do use Ingram for reselling of IBM provided maintenance do they need to be named? Distributor is not providing the service IBM is.

**Response:** It is ITS' understanding that Ingram is a Distributor; therefore, Ingram would be your response to this specification. ITS understands the Distributor is not providing the service.

**Question 7:** 11.4 – COI- is this required from IBM or Responding Vendor. IBM will be providing the service

**Response:** Responding vendors will need to submit their own Certificate of Liability Insurance.

**Question 8:** 11.5 – E-Verify compliance – Responding Vendor or IBM. IBM will be providing the service.

**Response:** Responding vendors will need to submit their own E-Verify compliance documentation.

LOC responses are due March 6, 2020, at 3:00 p.m. (Central Time).

If you have any questions concerning the information above or if we can be of further assistance, please contact Alec Shedd at 601-432-8162 or via email at [Alec.Shedd@its.ms.gov](mailto:Alec.Shedd@its.ms.gov).

cc: ITS Project File Number 45718